
SENATE BILL No. 366

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 12-7-2; IC 12-13-5-5; IC 12-17; IC 12-19; IC 20-26-11; IC 20-33-2-29; IC 31-31-8; IC 31-32-16-9; IC 31-33; IC 31-34-24; IC 31-37-24; IC 31-40; IC 33-38-9-8.

Synopsis: Funding of child welfare services. Makes the following changes beginning in 2007: (1) Eliminates authority for a county to impose levies for a county family and children's fund or children's psychiatric residential treatment services fund (child welfare levies). (2) Specifies that the state will fund child services and children's psychiatric residential treatment services. (3) Adjusts distributions of financial institution tax, motor vehicle excise tax, and local income tax distributions affected by the elimination of child welfare levies. (4) Establishes procedures to eliminate shortfalls of revenue in tax increment financing (TIF) areas resulting from the elimination of child welfare levies. Corrects internal references in the property tax replacement fund law. Corrects obsolete references to the division of family resources. Makes related changes. Makes an appropriation.

Effective: Upon passage; January 1, 2007.

Breaux

January 11, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 366

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-17-3, AS AMENDED BY P.L.234-2005,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2007]: Sec. 3. (a) The proper officers of a political
4 subdivision shall formulate its estimated budget and its proposed tax
5 rate and tax levy on the form prescribed by the department of local
6 government finance and approved by the state board of accounts. The
7 political subdivision shall give notice by publication to taxpayers of:

- 8 (1) the estimated budget;
9 (2) the estimated maximum permissible levy;
10 (3) the current and proposed tax levies of each fund; and
11 (4) the amounts of excessive levy appeals to be requested.

12 In the notice, the political subdivision shall also state the time and
13 place at which a public hearing will be held on these items. The notice
14 shall be published twice in accordance with IC 5-3-1 with the first
15 publication at least ten (10) days before the date fixed for the public
16 hearing.

- 17 (b) The board of directors of a solid waste management district



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established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(d) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

- ~~(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund;~~
- ~~(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential services fund;~~

obligations described in IC 12-19-1-21. A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in ~~subdivision (1) or (2)~~ **this subsection** shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 2. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

- ~~(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.~~
- ~~(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; or~~
- ~~(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services.~~

SECTION 3. IC 6-1.1-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) Except as

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provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

- (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or
- (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

- (1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.
- (2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.
- (3) To pay the principal or interest upon:
 - (A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or
 - (B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.
- (4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- (5) To pay a judgment rendered against the political subdivision.
- (6) To meet the requirements of the family and children's fund for ~~child services (as defined in IC 12-19-7-1)~~ **obligations described in IC 12-19-1-21.**
- (7) To meet the requirements of the county hospital care for the indigent fund.
- (8) ~~To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).~~

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the department of

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1 local government finance may review the portion of a tax rate
2 described in subsection (b) only to determine if it exceeds the portion
3 actually needed to provide for one (1) of the purposes itemized in that
4 subsection.

5 SECTION 4. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9.7. (a) The ad
7 valorem property tax levy limits imposed by section 3 of this chapter
8 do not apply to ad valorem property taxes imposed under any of the
9 following:

10 (1) IC 12-16, except IC 12-16-1.

11 (2) IC 12-19-5, **before January 1, 2007.**

12 (3) IC 12-19-7, **before January 1, 2007.**

13 (4) IC 12-19-7.5, **before January 1, 2007.**

14 (5) IC 12-20-24.

15 (b) For purposes of computing the ad valorem property tax levy
16 limits imposed under section 3 of this chapter, a county's or township's
17 ad valorem property tax levy for a particular calendar year does not
18 include that part of the levy imposed under the citations listed in
19 subsection (a).

20 (c) Section 8(b) of this chapter does not apply to bonded
21 indebtedness that will be repaid through property taxes imposed under
22 IC 12-19.

23 SECTION 5. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2005,
24 SECTION 92, AND AS AMENDED BY P.L.246-2005, SECTION 64,
25 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter:

27 (a) "Taxpayer" means a person who is liable for taxes on property
28 assessed under this article.

29 (b) "Taxes" means property taxes payable in respect to property
30 assessed under this article. The term does not include special
31 assessments, penalties, or interest, but does include any special charges
32 which a county treasurer combines with all other taxes in the
33 preparation and delivery of the tax statements required under
34 IC 6-1.1-22-8(a).

35 (c) "Department" means the department of state revenue.

36 (d) "Auditor's abstract" means the annual report prepared by each
37 county auditor which under IC 6-1.1-22-5 is to be filed on or before
38 March 1 of each year with the auditor of state.

39 (e) "Mobile home assessments" means the assessments of mobile
40 homes made under IC 6-1.1-7.

41 (f) "Postabstract adjustments" means adjustments in taxes made
42 subsequent to the filing of an auditor's abstract which change

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assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

~~(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county);~~ minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (**repealed**), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (*repealed*) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the

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1 stated assessment year under authority of IC 21-2-6
 2 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 3 cumulative building fund whose property tax rate was not
 4 initially established or reestablished for a stated assessment
 5 year that succeeds the 1983 stated assessment year; minus
 6 (ii) the total property taxes imposed in the county for the
 7 1984 stated assessment year under the authority of IC 21-2-6
 8 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 9 cumulative building fund whose property tax rate was not
 10 initially established or reestablished for a stated assessment
 11 year that succeeds the 1983 stated assessment year; minus
 12 (G) the amount of property taxes imposed in the county for the
 13 stated assessment year under:

- 14 (i) IC 21-2-15 for a capital projects fund; plus
- 15 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- 16 (iii) ~~IC 20-14-13~~ IC 36-12-12 for a library capital projects
- 17 fund; plus
- 18 (iv) ~~IC 20-5-17.5-3~~ IC 36-10-13-7 for an art association
- 19 fund; plus
- 20 (v) IC 21-2-17 for a special education preschool fund; plus
- 21 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- 22 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
- 23 a school corporation's maximum permissible general fund
- 24 levy for certain transfer tuition costs; plus
- 25 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase
- 26 in a school corporation's maximum permissible ~~general~~
- 27 **transportation** fund levy for transportation operating costs;
- 28 minus

29 (H) the amount of property taxes imposed by a school
 30 corporation that is attributable to the passage, after 1983, of a
 31 referendum for an excessive tax levy under IC 6-1.1-19,
 32 including any increases in these property taxes that are
 33 attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
 34 any other law; minus

- 35 (I) for each township in the county, the lesser of:
- 36 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 37 STEP THREE **(as effective January 1, 1990)** or
- 38 IC 6-1.1-18.5-19(b) STEP THREE **(as effective January 1,**
- 39 **1990)**, whichever is applicable, plus the part, if any, of the
- 40 township's ad valorem property tax levy for calendar year
- 41 1989 that represents increases in that levy that resulted from
- 42 an appeal described in IC 6-1.1-18.5-13(4) **(as effective**

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before January 1, 1989), filed after December 31, 1982; or
(ii) the amount of property taxes imposed in the township for
the stated assessment year under the authority of
IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory
established under IC 36-8-19-1, the amount of property taxes
levied by each participating unit under IC 36-8-19-8 and
IC 36-8-19-8.5 less the maximum levy limit for each of the
participating units that would have otherwise been available
for fire protection services under IC 6-1.1-18.5-3 and
IC 6-1.1-18.5-19 for that same year; minus

(K) for each county the sum of

(i) the amount of property taxes imposed in the county for
the repayment of loans under ~~IC 12-19-5-6 (repealed)~~ that is
included in the amount determined under ~~IC 12-19-7-4(a)~~
~~STEP SEVEN~~ for property taxes payable in 1995; or for
property taxes payable in each year after 1995; the amount
determined under ~~IC 12-19-7-4(b)~~; and

(ii) the amount of property taxes imposed in the county
attributable to appeals granted under ~~IC 6-1.1-18.6-3~~ that is
included in the amount determined under ~~IC 12-19-7-4(a)~~
~~STEP SEVEN~~ for property taxes payable in 1995; or the
amount determined under ~~IC 12-19-7-4(b)~~ for property taxes
payable in each year after 1995; **or other obligations to pay
for child services (as defined in IC 12-7-2-31.7) or
children's psychiatric residential treatment services (as
defined in IC 12-7-2-32.5) provided before January 1,
2007; plus**

(2) all taxes to be paid in the county in respect to mobile home
assessments currently assessed for the year in which the taxes
stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that
were applied by the taxing units in the county as property tax
replacement credits to reduce the individual levies of the taxing
units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad
valorem property tax levies of the taxing units of the county were
reduced under IC 6-1.1-18.5-3(b) ~~STEP EIGHT~~ for the stated
assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) ~~STEP FOUR~~;
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(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, *except as otherwise provided by law*, equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or
(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, *except as otherwise provided by law*, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

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(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

SECTION 6. IC 6-1.1-21-2.5, AS ADDED BY P.L.246-2005, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2.5. (a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine the sum of the following:

(1) **The following amounts:**

(A) **Before 2007**, one billion one hundred twenty-one million seven hundred thousand dollars (\$1,121,700,000).

(B) **After 2006, one billion ninety-one million seven hundred thousand dollars (\$1,091,700,000).**

(2) An amount equal to the net amount of revenue, after deducting collection allowances and refunds, that the budget agency estimates will be collected in a particular calendar year from the part of the gross retail and use tax rate imposed under IC 6-2.5 equal to one percent (1%).

The estimate made under this subsection must be consistent with the latest technical forecast of state revenues that is prepared for distribution to the general assembly and the general public and available to the budget agency at the time that the estimate is made.

(b) The department may not distribute eligible property tax replacement amounts and eligible homestead credit replacement amounts for a year under this chapter that, in the aggregate, is less than the amount computed under subsection (a).

(c) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine whether the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without applying subsection (a) or (b), will be less than the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)**. The budget agency shall give notice of its determination to the members of the board and, in an

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electronic format under IC 5-14-6, the general assembly. If the budget agency determines that the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)** will not be exceeded in a particular year, the board shall increase for that year the percentages used to determine a taxpayer's property tax replacement credit amount and the homestead credit percentage applicable under IC 6-1.1-20.9-2 so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 at least equals the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)**. In making adjustments under this subsection, the board shall increase percentages in the following order until the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount ~~determined~~ **computed** under subsection

~~(b)~~ **(a)**:

(1) The homestead credit percentage specified in IC 6-1.1-20.9-2 until the homestead percentage reaches the lesser of:

(A) thirty percent (30%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)**.

(2) If the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)** is not exceeded after increasing the homestead percentage under subdivision (1), the board shall increase the property tax replacement credit percentage specified in section 2(j)(1) and 2(l)(1) of this chapter until the property tax replacement percentage reaches the lesser of:

(A) seventy percent (70%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)**.

(3) If the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)** is not exceeded after making all possible increases in credit percentages under subdivisions (1) and (2), the board shall increase the property tax replacement credit percentages specified in section 2(j)(2), 2(j)(3), 2(l)(2), and 2(l)(3) of this chapter to the percentage at the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted

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under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount ~~determined~~ **computed** under subsection ~~(b)~~ **(a)**.

(d) The adjusted percentages set under subsection (c):

(1) are the percentages that apply under:

(A) section 5 of this chapter to determine a taxpayer's property tax replacement credit amount; and

(B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead credit; and

(2) must be used by the:

(A) department in estimating the eligible property tax replacement amount under section 3 of this chapter; and

(B) department of local government finance in making its certification under section 3(b) of this chapter;

and for all other purposes under this chapter and IC 6-1.1-20.9 related to distributions under this chapter;

for the particular year covered by a budget agency's determination under subsection (c).

SECTION 7. IC 6-1.1-29-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, ~~IC 12-19-7~~, ~~IC 12-19-7.5~~; IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

(c) A tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

SECTION 8. IC 6-3.5-1.1-15, AS AMENDED BY P.L.207-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

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(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **and**

(B) after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 9. IC 6-3.5-6-1.1, AS ADDED BY P.L.207-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JANUARY 1, 2007]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units in the county, the allocation amount for a civil taxing unit is the amount determined using the following formula:

STEP ONE: Determine the total property taxes that are first due and payable to the civil taxing unit during the calendar year of the distribution plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and

(B) after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not

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1 been refinanced or increases the total amount that must be paid on a
 2 debt or lease in excess of the amount that would have been paid if the
 3 debt or lease had not been refinanced. The amount of the deduction is
 4 the annual amount for each year of the extension period or the annual
 5 amount of the increase over the amount that would have been paid.

6 (c) Except as provided in this subsection, an appropriation from
 7 property taxes to make payments on a lease is not deducted from the
 8 allocation amount for a civil taxing unit if:

9 (1) the lease was issued; and

10 (2) the proceeds were appropriated from property taxes;
 11 to refinance a debt obligation or lease issued before July 1, 2005.
 12 However, an appropriation from property taxes related to a lease
 13 entered into after June 30, 2005, is deducted if the lease extends
 14 payments on a debt or lease beyond the time in which the debt or lease
 15 would have been payable if it had not been refinanced or increases the
 16 total amount that must be paid on a debt or lease in excess of the
 17 amount that would have been paid if the debt or lease had not been
 18 refinanced. The amount of the deduction is the annual amount for each
 19 year of the extension period or the annual amount of the increase over
 20 the amount that would have been paid.

21 SECTION 10. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005,
 22 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2007]: Sec. 18.5. (a) This section applies to a county
 24 containing a consolidated city.

25 (b) Notwithstanding section 18(e) of this chapter, the distributive
 26 shares that each civil taxing unit in a county containing a consolidated
 27 city is entitled to receive during a month equals the following:

28 (1) For the calendar year beginning January 1, 1995, calculate the
 29 total amount of revenues that are to be distributed as distributive
 30 shares during that month multiplied by the following factor:

31	Center Township	.0251
32	Decatur Township	.00217
33	Franklin Township	.0023
34	Lawrence Township	.01177
35	Perry Township	.01130
36	Pike Township	.01865
37	Warren Township	.01359
38	Washington Township	.01346
39	Wayne Township	.01307
40	Lawrence-City	.00858
41	Beech Grove	.00845
42	Southport	.00025

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defined in IC 12-7-2-31.9) imposed by the county in 2006;

divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7 (before January 1, 2007), and IC 12-19-7.5 (before January 1, 2007) for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and
(ii) after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7 (before January 1, 2007), and IC 12-19-7.5 (before January 1, 2007) for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and
(ii) after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006;

divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7 (before January 1, 2007), and IC 12-19-7.5 (before January 1, 2007) for all

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qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to:

- (i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **and**
- (ii) **after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.**

SECTION 11. IC 6-3.5-7-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) Except as provided in sections 23, 25, 26, and 27 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(C) After 2006, an amount equal to the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and after 2006, the total of each child welfare levy (as defined in IC 12-7-2-31.9) imposed by the county in 2006.**

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following

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1 apply if an ordinance is adopted under this subsection:

2 (1) The ordinance is effective January 1 of the following year.

3 (2) Except as provided in sections 25 and 26 of this chapter, the
4 amount of the certified distribution that the county and each city
5 and town in the county is entitled to receive during May and
6 November of each year equals the product of:

7 (A) the amount of the certified distribution for the month;
8 multiplied by

9 (B) a fraction. For a city or town, the numerator of the fraction
10 equals the population of the city or the town. For a county, the
11 numerator of the fraction equals the population of the part of
12 the county that is not located in a city or town. The
13 denominator of the fraction equals the sum of the population
14 of all cities and towns located in the county and the population
15 of the part of the county that is not located in a city or town.

16 (3) The ordinance may be made irrevocable for the duration of
17 specified lease rental or debt service payments.

18 (d) The body imposing the tax may not adopt an ordinance under
19 subsection (c) if, before the adoption of the proposed ordinance, any of
20 the following have pledged the county economic development income
21 tax for any purpose permitted by IC 5-1-14 or any other statute:

22 (1) The county.

23 (2) A city or town in the county.

24 (3) A commission, a board, a department, or an authority that is
25 authorized by statute to pledge the county economic development
26 income tax.

27 (e) The department of local government finance shall provide each
28 county auditor with the fractional amount of the certified distribution
29 that the county and each city or town in the county is entitled to receive
30 under this section.

31 (f) Money received by a county, city, or town under this section
32 shall be deposited in the unit's economic development income tax fund.

33 (g) Except as provided in subsection (b)(2)(B), in determining the
34 fractional amount of the certified distribution the county and its cities
35 and towns are entitled to receive under subsection (b) during a calendar
36 year, the department of local government finance shall consider only
37 property taxes imposed on tangible property subject to assessment in
38 that county.

39 (h) In a county having a consolidated city, only the consolidated city
40 is entitled to the certified distribution, subject to the requirements of
41 sections 15, 25, and 26 of this chapter.

42 SECTION 12. IC 6-5.5-8-2 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation for each county calculated as follows:

(1) ~~For 2000 and each year thereafter,~~ **In each year before 2007,** the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under **this** subsection ~~(b)~~ without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) For 2007 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

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STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year from the county's county child welfare levies (as described in IC 12-7-2-31.9); divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP SEVEN: Determine the sum of the results determined in STEP SIX.

STEP EIGHT: Divide the STEP SEVEN result by three (3).

STEP NINE: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection after subtracting the amount determined under STEP FIVE.

STEP TEN: Determine the product of:

(A) the STEP NINE amount; multiplied by

(B) the STEP EIGHT result.

STEP ELEVEN: Add the STEP FIVE result and the STEP TEN result.

~~(2)~~ (3) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (c) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(c) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that

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would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes: ~~that~~:

(A) ~~that~~:

(i) **for 2000 and each year thereafter**, were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(ii) **for 2007 and each year thereafter, would have been calculated for the county's child welfare funds (as described in IC 12-7-2-31.9) for 2007 but are not imposed because of the termination of a county's authority to impose child welfare funds (as described in IC 12-7-2-31.9) after 2006; and**

(B) ~~that~~ would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in

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STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(e) Except as provided in subsection (g), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (e) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3).

(iii) Determine the amounts appropriated by the county in 2004, 2005, and 2006, for the county's child welfare funds (as described in IC 12-7-2-31.9), divided by the total amounts appropriated by all the taxing units in the county in the year.

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(iv) Divide the amount determined in item (iii) by three (3).

(v) Add the amount determined under item (ii) and the amount determined under item (iv).

SECTION 13. IC 12-7-2-31.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31.7. "Child services" means the following:

(1) Child welfare services specifically provided for children who are:

(A) adjudicated to be:

(i) children in need of services; or

(ii) delinquent children; or

(B) recipients of or are eligible for:

(i) informal adjustments;

(ii) service referral agreements; and

(iii) adoption assistance;

including the costs of using an institution or facility in Indiana for providing educational services as described in IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid by a county under IC 31-40-1-2, and all costs required to be paid by a county under IC 20-26-11-12.

(2) Assistance awarded by a county to a destitute child under IC 12-17-1.

(3) Child welfare services as described in IC 12-17-3.

SECTION 14. IC 12-7-2-31.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31.9 "Child welfare levy" refers to an ad valorem property tax levy imposed before January 1, 2007, for any of the following funds:

(1) County family and children's fund.

(2) Children's psychiatric residential treatment services fund.

SECTION 15. IC 12-7-2-32.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 32.5. "Children's psychiatric residential treatment services" means services that are:

(1) eligible for federal financial participation under the state Medicaid plan; and

(2) provided to individuals less than twenty-one (21) years of age who are:

(A) eligible for services under the state Medicaid plan;

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(B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and (C) residing in a private psychiatric residential facility for the purposes of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.

SECTION 16. IC 12-7-2-64, AS AMENDED BY P.L.234-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 64. "Director" refers to the following:

(1) With respect to a particular division, the director of the division.

(2) With respect to a particular state institution, the director who has administrative control of and responsibility for the state institution.

(3) For purposes of IC 12-10-15, the term refers to the director of the division of disability, aging, and rehabilitative services.

~~(4) For purposes of IC 12-19-5, the term refers to the director of the department of child services established by IC 31-33-1.5-2.~~

~~(5)~~ (4) For purposes of IC 12-25, the term refers to the director of the division of mental health and addiction.

~~(6)~~ (5) For purposes of IC 12-26, the term:

(A) refers to the director who has administrative control of and responsibility for the appropriate state institution; and

(B) includes the director's designee.

~~(7)~~ (6) If subdivisions (1) through ~~(6)~~ (5) do not apply, the term refers to the director of any of the divisions.

SECTION 17. IC 12-7-2-91 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

(2) For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.

(3) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

(4) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

(5) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

(6) For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

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(7) For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

~~(8) For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.~~

~~(9)~~ (8) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(10)~~ (9) For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

~~(11)~~ (10) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

~~(12)~~ (11) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

~~(13)~~ (12) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 18. IC 12-13-5-5, AS AMENDED BY P.L.234-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the county welfare fund (before July 1, 2001), the family and children's fund, and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division or the department of child services.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division or the department of child services and the state board of accounts.

(c) This section expires January 1, 2008.

SECTION 19. IC 12-17-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) Upon the completion of an investigation under section 9 of this chapter, the county office shall do the following:

(1) Determine whether the child is eligible for assistance under this chapter and the division's rules.

(2) Determine the amount of the assistance and the date on which the assistance is to begin.

(3) Make an award, including any subsequent modification of the award, with which the county office shall comply until the award or modified award is vacated.

(4) Notify the applicant and the division of the county office's decision in writing.

(b) The county office shall provide assistance to the recipient at least monthly upon warrant of the county auditor. The assistance must be:

(1) made from the county family and children's fund **for**

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1 **assistance provided before January 1, 2007, and by the state**
 2 **for assistance provided after December 31, 2006; and**
 3 (2) based upon a verified schedule of the recipients.

4 (c) The director of the county office shall prepare and verify the
 5 amount payable to the recipient, in relation to the awards made by the
 6 county office. The division shall prescribe the form upon which the
 7 schedule under subsection (b)(2) must be filed.

8 SECTION 20. IC 12-17-3-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) This section
 10 does not apply to a county department's:

11 (1) administrative expenses; or

12 (2) expenses regarding facilities, supplies, and equipment.

13 (b) Necessary expenses incurred in the administration of the child
 14 welfare services under section 1 of this chapter shall be paid **for**
 15 **expenses incurred:**

16 (1) **before January 1, 2007**, out of the county welfare fund or the
 17 county family and children's fund (whichever is appropriate); **and**

18 (2) **after December 31, 2006, by the state.**

19 SECTION 21. IC 12-19-1-16 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 16. (a) This
 21 section does not apply to money received to reimburse the county
 22 family and children's fund for expenditures made from the **county**
 23 appropriations of the county office **or, after December 31, 2006, the**
 24 **state appropriations of the county office.**

25 (b) A county office may receive and administer money available to
 26 or for the benefit of a person receiving payments or services from the
 27 county office. The following applies to all money received under this
 28 section:

29 (1) The money shall be kept in a special fund known as the county
 30 family and children trust clearance fund and may not be
 31 commingled with any other fund or with money received from
 32 taxation.

33 (2) The money may be expended by the county office in any
 34 manner consistent with the following:

35 (A) The purpose of the county family and children trust
 36 clearance fund or with the intention of the donor of the money.

37 (B) Indiana law.

38 SECTION 22. IC 12-19-1-21 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 21. (a) **The**
 40 **following apply**, notwithstanding any other law:

41 (1) After December 31, 1999, a county may not impose any of the
 42 following:

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~~(1)~~ (A) A property tax levy for a county welfare fund.

~~(2)~~ (B) A property tax levy for a county welfare administration fund.

(2) After December 31, 2006, a county may not impose a child welfare levy.

(b) This subsection applies to a levy necessary to repay a loan or bond for an obligation or otherwise pay an obligation that:

(1) would have been payable from a county family or a children's fund or children's psychiatric residential treatment services fund if IC 12-19-5, IC 12-19-7, and IC 12-19-7.5 had not been repealed;

(2) is incurred by the county for services provided before January 1, 2007; and

(3) exceeds the unencumbered balance of the fund on December 31, 2007.

The repeal of IC 12-19-5 (repealed), IC 12-19-7 (repealed), and IC 12-19-7.5 (repealed) does not terminate a county's obligation to pay obligations described in this subsection. A levy to repay a loan or obligation described in this subsection that would have been imposed for a county family and children's fund or children's psychiatric residential treatment services fund if IC 12-19-5 (repealed), IC 12-19-7 (repealed), and IC 12-19-7.5 (repealed) had not been repealed shall, after December 31, 2006, be levied from the county's debt service fund. An action taken before January 1, 2007, under IC 12-19-5 (repealed), IC 12-19-7 (repealed), and IC 12-19-7.5 (repealed) to authorize a loan or bond and the repayment of the loan or bond from the county family and children's fund or children's psychiatric residential treatment services fund shall be treated after December 31, 2006, as an action to repay the loan or bond from a county debt service fund. If a county must authorize a loan or bond after December 31, 2006, to pay for child services or children's psychiatric residential treatment services provided before January 1, 2007, the loan or bond and repayment from the county's debt service fund shall be authorized in same manner in which a loan or bond would have been authorized under IC 12-19-5 (repealed), IC 12-19-7 (repealed), and IC 12-19-7.5 (repealed).

(c) Subject to this subsection, a county's county family and children's fund and children's psychiatric residential treatment services fund are abolished on January 1, 2007. Except as authorized by the department of child services, an unencumbered balance in a fund described in this subsection on December 31,

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2006, and any amount collected after December 31, 2006, for a fund described in this subsection that relates to a:

(1) property tax levy imposed before January 1, 2007; or

(2) fee imposed for services provided before January 1, 2007; must be transferred to the auditor of state for deposit in the state general fund not later than the later of January 31, 2007, or thirty (30) days after the money is received by the county. A county may maintain a fund described in this subsection for the period necessary to close out the accounts in the fund. With the approval of the budget agency, the department of child services and a county may enter into an agreement to permit the county to retain an amount that would be otherwise transferred to the auditor of state under this chapter to permit the county to pay obligations incurred for child services and children's psychiatric residential treatment services provided before January 1, 2007.

(d) Expenditures for services provided after December 31, 2006, that would have been payable from a county family and children's fund or a children's psychiatric residential treatment services fund if the fund had not been abolished shall be paid by the state after December 31, 2006. The department of child services shall establish and maintain written procedures for the payment of providers that facilitate the delivery of child services and children's psychiatric residential treatment services. Copies of the procedures shall be delivered to each county office and each juvenile court judge.

SECTION 23. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3.5. As used in this chapter, "implementation date" means the following:

(1) December 31, 1999, for pledges described in section 8(a) of this chapter.

(2) December 31, 2006, for pledges described in section 8(b) of this chapter.

SECTION 24. IC 12-19-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in **the following**:

(1) 1999 for:

(+) (A) the county welfare fund; and

(+) (B) the county welfare administration fund.

(2) 2006 for the total of each child welfare levy.

SECTION 25. IC 12-19-1.5-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) This chapter applies to an allocation area in which:

- (1) the holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and
- (2) the elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in subdivision (1).

(b) This chapter also applies to an allocation area in which:

- (1) the holders of obligations received a pledge before April 15, 2006, of tax increment revenues to repay any part of the obligations due after December 31, 2006; and**
- (2) the elimination of any part of a child welfare levy adversely affects the ability of the governing body to repay the obligations described in subdivision (1).**

~~(b)~~ (c) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 26. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999~~ **the implementation date**. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency

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of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

SECTION 27. IC 20-26-11-12, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may

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not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

for services provided before January 1, 2007, the county office of family and children for the county placing the child shall pay from the county family and children's fund **and for services provided after December 31, 2006, the department of child services shall pay from state revenues** to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which a county office is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the county office, the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

for services provided before January 1, 2007, the county office of family and children for the county placing the child shall pay from the county family and children's fund **and for services provided after December 31, 2006, the department of child services shall pay from**

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1 **state revenues** in an amount and in the manner specified in a written
 2 agreement between the county office and the institution or other
 3 facility.

4 (e) An agreement described in subsection (c) or (d) is subject to the
 5 approval of the director of the ~~division of family and children~~
 6 **department of child services**. However, for purposes of IC 4-13-2, the
 7 agreement shall not be treated as a contract.

8 SECTION 28. IC 20-26-11-13, AS ADDED BY P.L.1-2005,
 9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2007]: Sec. 13. (a) As used in this section, the following
 11 terms have the following meanings:

12 (1) "ADM" means the following:

13 (A) For purposes of allocating to a transfer student state
 14 distributions under IC 21-1-30 (primetime), "ADM" as
 15 computed under IC 21-1-30-2.

16 (B) For all other purposes, "ADM" as set forth in
 17 IC 21-3-1.6-1.1.

18 (2) "Class of school" refers to a classification of each school or
 19 program in the transferee corporation by the grades or special
 20 programs taught at the school. Generally, these classifications are
 21 denominated as kindergarten, elementary school, middle school
 22 or junior high school, high school, and special schools or classes,
 23 such as schools or classes for special education, vocational
 24 training, or career education.

25 (3) "Special equipment" means equipment that during a school
 26 year:

27 (A) is used only when a child with disabilities is attending
 28 school;

29 (B) is not used to transport a child to or from a place where the
 30 child is attending school;

31 (C) is necessary for the education of each child with
 32 disabilities that uses the equipment, as determined under the
 33 individualized education program for the child; and

34 (D) is not used for or by any child who is not a child with
 35 disabilities.

36 (4) "Student enrollment" means the following:

37 (A) The total number of students in kindergarten through
 38 grade 12 who are enrolled in a transferee school corporation
 39 on a date determined by the state board.

40 (B) The total number of students enrolled in a class of school
 41 in a transferee school corporation on a date determined by the
 42 state board.

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However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other student count in which the student is included:

- (i) Primetime grant under IC 21-1-30.
- (ii) Tuition support for basic programs.
- (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- (iv) At-risk grant under IC 21-3-1.7-9.7 **(repealed)**.
- (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- (vi) Vocational education grant under IC 21-3-12.
- (vii) Special education grant under IC 21-3-2.1.
- (viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the

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1 STEP ONE amount.
 2 If a child is placed in an institution or facility in Indiana under a court
 3 order, the institution or facility shall **for services provided before**
 4 **January 1, 2007**, charge the county office of the county of the student's
 5 legal settlement under IC 12-19-7 (**repealed**) and **for services**
 6 **provided after December 31, 2006, charge the department of child**
 7 **services** for the use of the space within the institution or facility
 8 (commonly called capital costs) that is used to provide educational
 9 services to the child based upon a prorated per student cost.

10 (c) Operating costs shall be determined for each class of school
 11 where a transfer student is enrolled. The operating cost for each class
 12 of school is based on the total expenditures of the transferee
 13 corporation for the class of school from its general fund expenditures
 14 as specified in the classified budget forms prescribed by the state board
 15 of accounts. This calculation excludes:

- 16 (1) capital outlay;
- 17 (2) debt service;
- 18 (3) costs of transportation;
- 19 (4) salaries of board members;
- 20 (5) contracted service for legal expenses; and
- 21 (6) any expenditure that is made out of the general fund from
- 22 extracurricular account receipts;
- 23 for the school year.

24 (d) The capital cost of special equipment for a school year is equal
 25 to:

- 26 (1) the cost of the special equipment; divided by
- 27 (2) the product of:
 - 28 (A) the useful life of the special equipment, as determined
 - 29 under the rules adopted by the state board; multiplied by
 - 30 (B) the number of students using the special equipment during
 - 31 at least part of the school year.

32 (e) When an item of expense or cost described in subsection (c)
 33 cannot be allocated to a class of school, it shall be prorated to all
 34 classes of schools on the basis of the student enrollment of each class
 35 in the transferee corporation compared with the total student
 36 enrollment in the school corporation.

37 (f) Operating costs shall be allocated to a transfer student for each
 38 school year by dividing:

- 39 (1) the transferee school corporation's operating costs for the class
- 40 of school in which the transfer student is enrolled; by
- 41 (2) the student enrollment of the class of school in which the
- 42 transfer student is enrolled.

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When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-2.1, IC 21-3-12, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5 (**repealed**), it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and

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(2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 29. IC 20-26-11-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country;

to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department.

(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the ~~office of the secretary of family and social~~ **department of child** services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the ~~office of the secretary of family and social~~ **department of child**

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services to the ~~office of the secretary of family and social~~ **department of child** services.

(e) Not later than November 30 of each year each county office shall submit the following information to the ~~office of the secretary of family and social~~ **department of child** services for each child who is described in ~~IC 12-19-7-1(1)~~ **IC 12-7-2-31.7(1)** and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the ~~office of the secretary of family and social~~ **department of child** services.

(f) Not later than December 31 of each year, the ~~office of the secretary of family and social~~ **department of child** services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 30. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 29. (a) It is unlawful for a person operating or responsible for:

(1) an educational;

(2) a correctional;

(3) a charitable; or

(4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall **for services provided before January 1, 2007**, charge the county office of family and children of the county of the child's legal settlement under IC 12-19-7 (**repealed**) and **for services provided after December 31, 2006, charge the department of child services** for the use of the space within the

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1 institution or facility (commonly called capital costs) that is used to
 2 provide educational services to the child based upon a prorated per
 3 child cost.

4 SECTION 31. IC 31-31-8-3 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The
 6 juvenile court may establish juvenile detention and shelter care
 7 facilities for children, except as provided by IC 31-31-9.

8 (b) The court may contract with other agencies to provide juvenile
 9 detention and shelter care facilities.

10 (c) If the juvenile court operates the juvenile detention and shelter
 11 care facilities, the judge shall appoint staff and determine the budgets.

12 (d) The county shall pay all expenses. The expenses for the juvenile
 13 detention facility shall be paid from the county general fund. ~~Payment~~
 14 ~~of The expenses for the juvenile detention facility may not be paid from~~
 15 ~~the county family and children's fund established by IC 12-19-7-3: are~~
 16 **not payable as child services (as defined in IC 12-7-2-31.7).**

17 SECTION 32. IC 31-31-8-4 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) This section
 19 applies to a county having a population of more than one hundred ten
 20 thousand (110,000) but less than one hundred fifteen thousand
 21 (115,000).

22 (b) Notwithstanding section 3 of this chapter, the juvenile court
 23 shall operate a juvenile detention facility or juvenile shelter care
 24 facility established in the county. However, the county legislative body
 25 shall determine the budget for the juvenile detention facility or juvenile
 26 shelter care facility. The expenses for the juvenile detention facility
 27 shall be paid from the county general fund. ~~Payment of The expenses~~
 28 ~~for the juvenile detention facility may not be paid from the county~~
 29 ~~family and children's fund established by IC 12-19-7-3: are not~~
 30 **payable as child services (as defined in IC 12-7-2-31.7).**

31 SECTION 33. IC 31-32-16-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. A parent,
 33 guardian, or custodian is required to pay court costs, court fees, and the
 34 costs of assessment and treatment. ~~Neither The court, nor the state,~~
 35 **and the county is are not** liable for any part of the costs of assessment
 36 or treatment under this chapter.

37 SECTION 34. IC 31-33-1.5-7, AS ADDED BY P.L.234-2005,
 38 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2007]: Sec. 7. The department is responsible for the
 40 following:

- 41 (1) Providing child protection services under this article.
- 42 (2) Providing and administering child abuse and neglect

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prevention services.

(3) Providing and administering child services (as defined in ~~IC 12-19-7-1~~; **IC 12-7-2-31.7**) and children's psychiatric residential treatment services (as defined in **IC 12-7-2-32.5**).

(4) Providing and administering family services (as defined in IC 31-9-2-45).

(5) Providing family preservation services under IC 12-14-25.5.

(6) Regulating and licensing the following under IC 12-17.4:

(A) Child caring institutions.

(B) Foster family homes.

(C) Group homes.

(D) Child placing agencies.

(7) Administering the state's plan for the administration of Title IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).

(8) Administering foster care services.

(9) Administering independent living services (as described in 42 U.S.C. 677 et seq.).

(10) Administering adoption services.

SECTION 35. IC 31-33-1.5-10, AS ADDED BY P.L.234-2005, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) The department may establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of services to all the counties in a region determined by the department. An agreement may provide for payment from state funds appropriated for the purpose or direct billing of services to the county receiving the service.

(b) If the department enters into a procurement agreement covering a county, the county, including the county's juvenile court, shall **for services provided before January 1, 2007**, procure all services covered by the procurement agreement in accordance with the regional procurement agreement and the policies prescribed by the department. With the approval of the department, a county may use services from an alternate provider. **The department shall procure services provided after December 31, 2006. The department shall work with the county's juvenile court to ensure that services are delivered as needed.**

(c) The costs incurred under a procurement agreement **for services provided before January 1, 2007**, shall be shared by the counties covered by the procurement agreement. The department shall allocate the costs of a regional procurement agreement **for services provided**

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1 **before January 1, 2007**, among the counties covered by the agreement
 2 in proportion to the use of the services by each county under the
 3 schedule prescribed by the department. A county shall pay the costs
 4 incurred under a procurement agreement **for services provided before**
 5 **January 1, 2007**, from the:

- 6 (1) family and children's fund (**repealed**); or
 7 (2) children's psychiatric residential treatment services fund
 8 (**repealed**);

9 as appropriate. **The department shall pay the costs of a regional**
 10 **procurement agreement for services provided after December 31,**
 11 **2006.**

12 (d) If the department pays the costs incurred under a procurement
 13 contract **for services provided before January 1, 2007**, from state
 14 funds appropriated for the purpose, the department shall present a
 15 claim for reimbursement to the appropriate county auditor. The county
 16 executive shall review and allow the full amount of the claim in the
 17 manner provided in IC 36-2-6.

18 SECTION 36. IC 31-33-4-3 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) Not later
 20 than sixty (60) days after receiving the plan, the director shall certify
 21 whether the local plan fulfills the purposes and meets the requirements
 22 of this article.

23 (b) If the director certifies that the local plan does not fulfill the
 24 purposes and meet the requirements of this article, the director:

- 25 (1) shall state the reasons for the decision; and
 26 (2) may, **for services provided before January 1, 2007**,
 27 withhold state reimbursement for any part of the county office of
 28 family and children's activities relating to this article.

29 SECTION 37. IC 31-34-24-8, AS AMENDED BY P.L.1-2005,
 30 SECTION 208, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2007]: Sec. 8. In preparing the plan, the
 32 team shall review and consider existing publicly and privately funded
 33 programs that are available or that could be made available in the
 34 county to provide supportive services to or for the benefit of children
 35 described in section 3 of this chapter without removing the child from
 36 the family home, including programs funded through the following:

- 37 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
 38 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
 39 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
 40 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 41 5106 et seq.).
 42 (5) Community corrections programs under IC 11-12.

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(6) Special education programs under IC 20-35-6-2.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, **division of child services**, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 (**repealed**) **before January 1, 2007**, and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) Child advocacy fund under IC 12-17-17.

SECTION 38. IC 31-34-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the county fiscal body shall consider the plan in developing the family and children's fund budget.

(b) The county fiscal body may appropriate from the family and children's fund any amounts necessary **before January 1, 2007**, to provide funding to implement the plan. **The department of child services may pay any amounts necessary after December 31, 2006.**

SECTION 39. IC 31-37-24-8, AS AMENDED BY P.L.1-2005, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-35-6-2.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, **department of child services**, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 (**repealed**) **before January 1, 2007**, and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) The child advocacy fund under IC 12-17-17.

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SECTION 40. IC 31-37-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the county fiscal body shall consider the plan in developing the family and children's fund budget.

(b) The county fiscal body may appropriate from the family and children's fund any amounts necessary **before January 1, 2007**, to provide funding to implement the plan. **The department of child services may pay any amounts necessary after December 31, 2006.**

SECTION 41. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The county shall pay from the county family and children's fund **(repealed)** the cost of:

(1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention **provided before January 1, 2007**; and

(2) returning a child under IC 31-37-23 **before January 1, 2007.**

(b) The county fiscal body shall provide sufficient money to meet the court's requirements **before January 1, 2007.**

(c) **The department of child services shall pay from state revenues the cost of:**

(1) **any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention provided after December 31, 2006; and**

(2) **returning a child under IC 31-37-23 after December 31, 2006.**

(d) **The state shall provide sufficient money to meet the court's requirements after December 31, 2006.**

SECTION 42. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

(1) a detention hearing;

(2) a hearing that is held after the payment of costs by a county

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under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);
 (3) the dispositional hearing; or
 (4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay ~~for~~, or reimburse the county **or state, as appropriate**, for the cost of services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 43. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the county **or state, as appropriate**, for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

SECTION 44. IC 31-40-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 12-7-2-29), a foster family home (as defined in IC 12-7-2-90), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the county office for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

- (1) entered the existing support order; or
- (2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

- (1) Include in the order for removal or placement of the child an assignment to the county office, or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical

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care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

(2) Order support paid to the county office by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for the cost of (in whole or in part) and the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county office.

(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 12-17-2 and 42 U.S.C. 654. The county office shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to

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1 modify or enforce the existing support order;
 2 of the termination of jurisdiction of the juvenile court with respect
 3 to the support order;

4 (2) terminate a support order entered under subsection (c) that
 5 requires payment of support by a custodial parent or guardian of
 6 the child, with respect to support obligations that accrue after
 7 termination of the placement; or

8 (3) continue in effect, subject to modification or enforcement by
 9 a court having jurisdiction over the obligor, a support order
 10 entered under subsection (c) that requires payment of support by
 11 a noncustodial parent or guardian of the estate of the child.

12 (g) The court may at or after a hearing described in section 3 of this
 13 chapter order the child's parent or the guardian of the child's estate to
 14 reimburse the:

15 (1) county office for all or any portion of the expenses for services
 16 provided **before January 1, 2007**, to or for the benefit of the
 17 child that are paid from the county family and children's fund
 18 **(repealed); and**

19 **(2) state for all or any part of the expenses for services**
 20 **provided to or for the benefit of the child that are paid from**
 21 **state revenues;**

22 during the placement of the child out of the home of the parent or
 23 guardian, in addition to amounts reimbursed through payments in
 24 accordance with a support order assigned or entered as provided in this
 25 section, subject to applicable federal law.

26 SECTION 45. IC 31-40-1-7 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. (a) Amounts
 28 received as payment of support or reimbursement of the cost of
 29 services paid as provided in this chapter shall be distributed in the
 30 following manner:

31 (1) If any part of the cost of services was paid from federal funds
 32 under Title IV Part E of the Social Security Act (42 U.S.C. 671 et
 33 seq.), the amounts received shall first be applied as provided in 42
 34 U.S.C. 657 and 45 CFR 302.52.

35 (2) All amounts remaining after the distributions required by
 36 subdivision (1) shall be deposited:

37 **(A) for services provided before January 1, 2007**, in the
 38 family and children's fund ~~(established by IC 12-19-7-3)~~
 39 **(repealed)** of the county that paid the cost of the services; **and**
 40 **(B) for services provided after December 31, 2006, the**
 41 **state general fund.**

42 (b) Any money deposited in a county family and children's fund

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(repealed) under this section shall be reported to the ~~division,~~
department of child services, in the form and manner prescribed by
the ~~division,~~ **and department of child services. Money deposited in**
the county family and children's fund before December 31, 2006,
shall be applied to the child services budget compiled and adopted by
the county director for the next state fiscal year in accordance with
~~IC 12-19-7-6~~ **used as directed by the department of child services.**

SECTION 46. IC 31-40-4-1 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. If the parent or
guardian of the estate:

(1) defaults in reimbursing the county **or the state**; or

(2) fails to pay a fee authorized by this article;

the juvenile court may find the parent or guardian in contempt and
enter judgment for the amount due.

SECTION 47. IC 33-38-9-8 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) The Indiana
judicial center shall maintain a roster of in-state facilities that have the
expertise to provide child services (as defined in ~~IC 12-19-7-1~~)
IC 12-7-2-31.7) in a residential setting to:

(1) children in need of services (as described in IC 31-34-1); or

(2) delinquent children (as described in IC 31-37-1 and
IC 31-37-2).

(b) The roster under subsection (a) must include the information
necessary to allow a court having juvenile jurisdiction to select an
in-state placement of a child instead of placing the child in an
out-of-state facility under IC 31-34 or IC 31-37. The roster must
include at least the following information:

(1) Name, address, and telephone number of each facility.

(2) Owner and contact person for each facility.

(3) Description of the child services that each facility provides
and any limitations that the facility imposes on acceptance of a
child placed by a juvenile court.

(4) Number of children that each facility can serve on a
residential basis.

(5) Number of residential openings at each facility.

(c) The Indiana judicial center shall revise the information in the
roster at least monthly.

(d) The Indiana judicial center shall make the information in the
roster readily available to courts with juvenile jurisdiction.

SECTION 48. THE FOLLOWING ARE REPEALED [EFFECTIVE
JANUARY 1, 2007]: IC 12-19-5; IC 12-19-7; IC 12-19-7.5.

SECTION 49. [EFFECTIVE UPON PASSAGE] **(a) Not later than**

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the later of three (3) regular business days after the effective date of this SECTION or February 1, 2006, the budget agency shall certify to the department of local government finance and the auditor of state the surplus state tax amnesty revenues attributable to the amnesty program established under IC 6-8.1-3-17. The amount of surplus state tax amnesty revenues is the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the balance on January 30, 2006, of the sum of the following:

(A) The total of the tax liability collected in the amnesty program established under IC 6-8.1-3-17.

(B) The total of the tax liability that:

(i) a taxpayer has agreed to pay under a written payment plan entered into under IC 6-8.1-3-17; and

(ii) is due under the taxpayer's written payment plan after January 30, 2006, and before July 1, 2006.

STEP TWO: Subtract from the STEP ONE amount the part of the STEP ONE amount that is attributable to listed taxes collected for a political subdivision (as defined in IC 36-2-13), including the following:

(A) The county adjusted gross income tax (IC 6-3.5-1.1).

(B) The county option income tax (IC 6-3.5-6).

(C) The county economic development income tax (IC 6-3.5-7).

(D) The municipal option income tax (IC 6-3.5-8).

(E) The auto rental excise tax (IC 6-6-9).

(F) The financial institutions tax (IC 6-5.5).

(G) The gasoline tax (IC 6-6-1.1).

(H) The alternative fuel permit fee (IC 6-6-2.1).

(I) The special fuel tax (IC 6-6-2.5).

(J) The motor carrier fuel tax (IC 6-6-4.1).

(K) A motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3.

(L) The motor vehicle excise tax (IC 6-6-5).

(M) The commercial vehicle excise tax (IC 6-6-5.5).

(b) Not later than the later of:

(1) the end of the month in which the budget agency certifies the amount of the surplus state tax amnesty revenues; or

(2) March 31, 2006;

the auditor of state shall transfer to a special account in the state general fund from unrestricted revenues in the state general fund an amount equal to the surplus state tax amnesty revenues certified

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1 to the auditor of state under this SECTION. The amount
 2 transferred shall be accounted for separately from other money in
 3 the state general fund. Money in the special account may be used
 4 only to pay for child services (as defined in IC 12-7-2-31, as added
 5 by this act) or children's psychiatric residential treatment services
 6 (as defined in IC 12-7-2-32.5, as added by this act) provided after
 7 December 31, 2006. Money remaining in the special account on
 8 June 30 of a state fiscal year does not revert for general use in the
 9 state general fund.

10 (c) Upon receipt of a transfer of money under IC 12-19-1-21, as
 11 amended by this act, from a county, the auditor of state shall
 12 deposit the amount transferred to the special account established
 13 under subsection (b).

14 (d) The amount necessary to provide child services (as defined
 15 in IC 12-7-2-31, as added by this act) or children's psychiatric
 16 residential treatment services (as defined in IC 12-7-2-32.5, as
 17 added by this act) after December 31, 2006, and before July 1,
 18 2007, is appropriated to the department of child services from the
 19 state general fund beginning July 1, 2006, and ending June 30,
 20 2007, including any amounts necessary to initially implement the
 21 program of state payment of these services and settle
 22 overpayments made in the amount transferred to the state under
 23 IC 12-19-1-21, as amended by this act. The amounts appropriated
 24 under this subsection shall be paid from the special account
 25 established under this SECTION until the amount in the special
 26 account is exhausted.

27 (e) The appropriation to the property tax replacement fund
 28 board made by P.L.246-2005, SECTION 10, for distributions to
 29 taxing units under IC 6-1.1-21 is reduced from two billion
 30 twenty-eight million five hundred nine thousand one hundred
 31 ninety-seven dollars (\$2,028,509,197) to two billion eighteen million
 32 five hundred nine thousand one hundred ninety-seven dollars
 33 (\$2,018,509,197) beginning July 1, 2006, and ending June 30, 2007,
 34 to reflect the termination of the county family and children's fund
 35 levy and the children's psychiatric residential treatment services
 36 fund levy in 2007. All of the reduction shall be applied to
 37 distributions in 2007.

38 SECTION 50. An emergency is declared for this act.

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